

## **MAYORAL BUDGET SPEECH TABLING THE 2020-2021 BUDGET**

Speaker  
Deputy Executive Mayor, Dr Joubert;  
Members of the Mayoral Committee  
Councillors;  
Municipal Manager, Mr Mokweni  
All Directors,  
Distinguished Guest,  
Ladies and Gentlemen

I presented the budget under the threshold of a national lockdown on our country in an attempt to curb the spreading of COVID 19 virus

### **ECONOMIC OVERVIEW**

**The world markets are suffering under the spread of the pandemic and we can but hope the best in these very difficult times we are about to face. No economist in the world can accurately predict what is currently happening in the markets globally.**

Speaker and honourable Councillors, this municipality is embarking on a big infrastructure development programme.

| <b>Capital budget per directorate</b> |                   |
|---------------------------------------|-------------------|
| Community Services                    | 12 963 280        |
| Corporate Services                    | 650 000           |
| Engineering Services                  | 54 082 425        |
| Executive and Council                 | 1 000 000         |
| Financial Services                    | 72 000            |
| Strategy and Social Development       | 22 163 305        |
| <b>Total</b>                          | <b>90 931 010</b> |

### **ASSUMPTIONS FOR COMPILING THE BUDGET**

#### **1. Salary Budget**

We have provided for 6.25% increase in staff costs

#### **2. Tariffs**

- We have provided for 6.5% increase in electricity tariffs.
- The tariff for Property Rates will increase by 8% in the rand for residential properties and an 8% increase in the rand for business properties.
- The tariffs for refuse removal will increase by 8%.
- Inclining block tariffs for Water therefore the increase will be 8%.

- The tariffs for sanitation will increase by 7%.

## **THE BUDGET OVERVIEW**

Speaker, the Budget being tabled today is as follows:

The Municipality's 2020-2021 budget amounts to **R 880, 508 million**, made up as follows:

- Capital Budget of **R 90, 9 million** and an
- Operating Budget of **R 789, 577 million**

The Primary Operating Budget revenue- and expenditure categories reflect the following year-on-year budget value increases (estimated 2020-2021vs adjusted 2019/2020 budget):

### **Revenue / tariff increases**

- The tariff for Property Rates will increase by 8% in the rand for residential properties and an 8% increase in the rand for business properties.
- Electricity 6.5%.
- Water increase will be 8%
- Solid Waste 8%
- Sanitation 7%

### **Expenditure category increases**

On the expenditure side the increases are as following:

- Salaries and Wages (including increments): 6.25%
- Repairs & Maintenance: 6 %
- Bulk Purchases (Water and Electricity): 6.9%

As I stated earlier, this budget is presented to you today and was prepared without proper revision due to the time constraints caused by the lockdown announced by the President. For that reason, we will have a budget workshop after the lockdown period for in-depth discussion. The Finance Directorate will also work to refine the budget and may even send you a reviewed version during the lockdown period.

## **CONCLUSION**

Speaker it gives me great pleasure to table the budget for MTREF 2020-2021 to 2021/2023, the IDP, the Budget Related Policies and this speech for consideration in terms of section 16(2) of the Local Government: Municipal Finance Management Act, 2003. (Act No. 56 of 2003)